



MINUTES OF THE BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES, STATE OF CALIFORNIA

Sachi A. Hamai, Executive Officer-
Clerk of the Board of Supervisors
383 Kenneth Hahn Hall of Administration
Los Angeles, California 90012

At its meeting held June 24, 2008, the Board took the following action:

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Supervisor Antonovich made the following statement:

“The Chinatown Service Center (CSC), a large nonprofit community-based Chinese-American health and human service organization established in Southern California, is looking to expand its community service operations. CSC has identified a County-owned facility which has been vacant for six years, located at 612 West Shorb Street in the City of Alhambra. The clinic facility located on the property, formerly served as an outpatient health center, which was operated by the Department of Health Services.

“CSC is prepared to invest over \$8 million in upgrades and tenant improvements to the property and establish a full multi-purpose service center for the community’s benefit. CSC plans to provide an array of health services, including medical preventive health care, as well as non-hospital treatable ailment service to families, children and the elderly. Additionally, CSC will provide comprehensive case management and direct services to seniors, and business and employment training development services to young people focusing on job career tracks and educational opportunities.

“CSC is recognized as a 501(c)(3) organization in compliance with Internal Revenue Code regulations, and Government Code Section 26227 prescribes a method by which the County may make property available to nonprofit organizations for the purpose of providing health services to County residents.”

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Therefore, on motion of Supervisor Antonovich, seconded by Supervisor Yaroslavsky, unanimously carried (Supervisor Knabe being absent), the Board took the following actions, as authorized by Government Code Section 26277:

1. Made a finding that:
 - County-property located at 612 West Shorb Street, Alhambra (Property) is not needed for any present or foreseeable County purposes; and
 - The health care and community-based services provided by Chinatown Service Center to the local community serve public purposes which benefit the County and its residents;
 - Gratis lease of property is exempt from the California Environmental Quality Act;
2. Authorized lease of the property to Chinatown Service Center (CSC) on a gratis basis in exchange for CSC's commitment to upgrade the building and complete tenant improvements at its costs and provide funds, staff and management to provide healthcare services, and community-based training programs, and other beneficial services to the community for the duration of the lease term, subject to the condition that the Property and services shall be equally open and available to residents of incorporated and unincorporated territory, and there shall be no discrimination against or preference, gratuity, bonus or other benefits given to residents of city incorporated areas not equally accorded to residents of unincorporated territory, and that CSC rehabilitates the building to minimum building code standards acceptable to the City of Alhambra; and
3. Directed the Chief Executive Officer (CEO) to negotiate appropriate lease terms and instruct the Chair to sign a lease with CSC for 40 years, with an option to renew for two additional ten-year terms, and authorize the CEO to execute any related documentation required to facilitate the building's upgrades and tenant improvements.

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Copies distributed:
Each Supervisor
Chief Executive Officer
County Counsel

LEASE AGREEMENT
CHINATOWN SERVICE CENTER
612 WEST SHORB STREET
ALHAMBRA, CALIFORNIA 91803

26988

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LEASE AGREEMENT

CHINATOWN SERVICE CENTER

612 WEST SHORB STREET, ALHAMBRA, CA 91803

THIS LEASE AGREEMENT (the "Lease") is made and entered into this 1st day of JUNE, 2009 (the "Effective Date"),

BY AND BETWEEN

COUNTY OF LOS ANGELES (the "Lessor"),

AND

CHINATOWN SERVICE CENTER, a California non-profit corporation (the "Lessee").

RECITALS:

WHEREAS, Lessor is the fee owner of the real property containing approximately 25,344 square feet of improvements and 59,472 square feet of land located at 612 West Shorb Street, Alhambra, County of Los Angeles, State of California (the land and improvements thereon are collectively referred to herein as the "Premises").

WHEREAS, Lessor hereby agrees to lease to Lessee said Premises during the term hereof on a gratis basis. Lessee hereby agrees in consideration for said Premises to faithfully perform all of its obligations under this Lease. The parties hereto expressly agree that the value to Lessor of the services provided by Lessee plus the value of the Lessee improvements contemplated hereby is at least equivalent to the fair market rental rate of the Premises.

WHEREAS, the building on the Premises (the "Building") plus related site, parking and landscaping improvements in accordance with the entitlements, permits, plans and specifications issued or approved by the County of Los Angeles, all of which Building and related improvements are hereinafter collectively referred to as the "Improvements." The Premises, Improvements, and all changes and alterations thereto are hereinafter collectively referred to as the "Shorb Project".

WHEREAS, Lessor is prepared to lease the Premises and Improvements to Lessee pursuant to Government Code Section 26227, which will allow Lessee to refurbish the Building and Premises and reconstruct improvements at Lessee's sole expense and to provide an array of health care services, and other community services detailed in Section 2.A of this Lease.

NOW, THEREFORE, in consideration of the terms and conditions hereinafter contained, and the foregoing recitals, each of which is deemed a contracted part hereof, Lessor and Lessee agree as follows:

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1. LEASE TERM AND COMMENCEMENT DATE.

The original term of this Lease shall be for a period of 40 years, commencing upon execution of this Lease by the County, provided, however, that in the event Lessee fails to commence construction of the Improvements within the time provided in section 6(B)(3) hereof, this Lease shall end and expire upon notice from County. Upon expiration of the original term, and without further action of the parties, this Lease shall renew for two additional ten-year terms. Such automatic renewal under each ten-year extension shall be contingent upon Lessee, at all times, being in compliance with all of the terms of this Lease from its inception and duration as well as the duration of each extension.

In the event that Lessee fails to comply with any of the terms of this Lease at any time, the Lessee shall be deemed to be in breach. If the breach is not cured within a reasonable period of time as exclusively determined by the Lessor, the Lease may be immediately terminated at will by the Lessor. Lessee shall immediately surrender and deliver possession of the Premises to the Lessor. At no time will the Lessor be responsible for any expenditures, reimbursements, damages, or otherwise in the event the Lessor, in good faith, has determined that a breach of the Lease has occurred by the Lessee and Lessor elects to terminate this Lease.

At the final expiration or termination of the Lease, including any extensions thereof, all capital improvements, including any completed by the Lessee, shall become property of the County.

A. As-Is.

(1) The Premises is improved with a Building which is currently vacant. Lessee accepts the Premises and the Building as so improved in its present condition notwithstanding the fact that there may be certain defects in the Premises and/or the Building, whether or not known to either party to this Lease, at the time of the Effective Date. Lessee hereby represents that in connection with its acceptance of the Premises, Lessee has been given the opportunity to perform such tests, inspections, reviews, studies and investigations respecting the Premises as so improved as it considers necessary or appropriate to adequately evaluate the condition and other aspects of the Premises. Lessee hereby accepts the Premises as so improved on an "AS IS WITH ALL FAULTS" basis and, except as expressly set forth in this Lease, Lessee is not relying on any representation or warranty of any kind whatsoever, express or implied, from County or any other governmental authority or public agency, or their respective agents or employees, as to any matters concerning the Premises and/or any improvements located thereon, including without limitation representation or warranties regarding: (i) the quality, nature, adequacy and physical condition and aspects of the Premises and/or any improvements located thereon, including, but not limited to, the appurtenances, access, landscaping, parking facilities and the electrical, mechanical, utility systems, and the square footage of the land; (ii) the quality, nature, adequacy and physical condition of soils, geology and any groundwater; (iii) the development potential of the Premises, and the use, habitability, merchantability or fitness, or the suitability,

value or adequacy of the Premises and/or any improvements located thereon for any particular purpose; (iv) the zoning or other legal status or entitlement or lack thereof of the Premises or any other public or private restrictions on use of the Premises; (v) the compliance of the Premises and/or any improvements located thereon with any applicable codes, laws, rules, regulations, statutes, resolutions, ordinances, covenants, conditions and restrictions of the County of Los Angeles, State of California, the United States of America, and/or any other governmental or quasi-governmental entity (collectively the "Applicable Laws") or of any other person or entity (including, without limitation, relevant provisions of the Americans with Disabilities Act ("ADA")); (vi) the presence of any underground storage tank or hazardous materials on, under or about the Premises or the adjoining or neighboring property; (vii) the quality of any labor and materials used in any improvements on the Premises, (viii) the condition of title to the Premises, and (ix) the economics of the operation of the Premises and/or any improvements located thereon. Lessor shall not be responsible for any land subsidence, slippage, soil instability or damage resulting therefrom at or on the Premises.

(2) Reservations. Lessee expressly agrees that this Lease and all rights hereunder shall be subject to all encumbrances, reservations, licenses, easements and rights of way: (a) existing as of the Effective Date, (b) otherwise referenced in this Lease in, to, over or affecting the Premises for any purpose whatsoever, or (c) consented to by Lessee. Without limiting the foregoing, Lessee expressly agrees that this Lease and all rights hereunder shall be subject to all prior matters of record and the right of County existing as of the Effective Date or otherwise disclosed to or known to Lessee, as their interests may appear, to install, construct, maintain, service and operate sanitary sewers, public roads and sidewalks, fire access roads, storm drains, drainage facilities, electric power lines, telephone lines and access and utility easements across, upon or under the Premises, together with the right of County to convey such easements and transfer such rights to others. Notwithstanding the foregoing or anything herein to the contrary, County agrees to cooperate with Lessee, upon compensation to County of its Actual Cost, as hereinafter defined, in Lessee's efforts to address title matters, if any, which would prevent Lessee from proceeding with the Improvements, as long as such efforts do not materially adversely affect the County (e.g., by way of illustration only, cooperating with Lessee in the relocation at Lessee's cost of any easements which interfere with the Improvements, to the extent such relocation is reasonably acceptable to County).

2. LEASE CONSIDERATIONS: As additional consideration for Lessor leasing the Premises to Lessee hereunder:

A. Lessee, throughout the duration of this Lease and any extensions thereto, shall, at all times, provide to County residents an array of health care services, including primary medical, dental and behavioral health care, to families, children and the elderly. Lessee will also provide community-based programs such as comprehensive case management and direct services to seniors, and employment placement and training and small business development services to adults. (collectively, the "Lessee Services") to residents of incorporated and unincorporated territory, and there shall be no discrimination against or preference, gratuity, bonus or

other benefits given to residents of city incorporated areas not equally accorded to residents of unincorporated territory. The Lessee Services enumerated herein are not intended to limit beneficial services that the Lessee provides and additional services may be added or substituted, upon the County's approval, as long as they are considered to benefit the residents of the County.

In the event that Lessee ceases to provide the Lessee Services, in whole or in part, at any time for a period of 30 consecutive days or more, the County may terminate the Lease upon written notice to Lessee. Should Lessee elect at any time to cease providing the Lessee Services, Lessee shall have the right to terminate the Lease upon 90 days written notice to the County.

B. Lessee shall, at its sole cost and expense, provide the Lessee Services, construct the Improvements in accordance with Section 6 hereof, and maintain the Improvements as provided herein, and operate without interruption the Building (collectively, "Lessee's Obligations"). Lessee's failure to perform Lessee's Obligations shall constitute a material default under this Lease.

C. Lessee acknowledges that Lessor has a security interest in all plans, drawings, specifications, documents evidencing governmental approvals or partial approvals, permits, environmental documents, soil, engineering and planning studies, working drawings, architect agreements, construction contracts and agreements pertaining to the Lessee's Shorb Project, together with all amendments thereto (hereinafter collectively called the "Development Documents"). Lessee further acknowledges its affirmative obligation to secure the full right, title and lien-free ownership interest in all Development Documents. Upon completion, the Lessee shall immediately provide the Lessor with true copies of all Development Documents of Lessee related to the development of the Lessee's Shorb Project.

D. Lessee shall perform all obligations required by this Lease, including those contained in the exhibits to this Lease.

E. Lessee acknowledges that all costs associated with the preparation of any environmental documentation for compliance with the California Environmental Quality Act and legal descriptions related to this Lease shall be solely Lessee's responsibility.

F. Lessee shall provide all Development Documents to Lessor for approval in accordance with Section 6. hereof.

G. Lessee shall reimburse Lessor for all of Lessor's Actual Costs, if any, in cooperating with, negotiating with, providing services to, and in performing the obligations of, Lessee under this Lease.

(1) "Actual Costs" shall mean: (i) the reasonable out-of-pocket costs and expenses incurred by County with respect to a particular activity or procedure, including without limitation, expenditures to third party legal counsel,

financial consultants, and advisors; (ii) costs incurred in connection with appraisals; and (iii) amounts invoiced by the County's Department of Public Works and/or Internal Services Department.

3. USES: APPLICABLE LAWS:

A. Uses:

(1) Lessee shall refurbish, reconstruct and/or construct on the Premises the Lessee's Shorb Project as specified in Section 6 hereof and occupy same for the purpose of providing of the Lessee Services.

(2) Lessee shall comply with its obligations under this Lease and be subject to all applicable governmental regulatory agencies and the rules and regulations of County in connection with the operation of the Shorb Project as promulgated from time to time by the County.

B. Compliance with Applicable Laws: The Lessee's Shorb Project, or any part thereof, shall not be used or permitted to be used for any activity which constitutes a nuisance. Subject to Lessee's right to contest in accordance with Section 3.C. hereof, Lessee shall, at its sole cost and expense, conform to, and cause all persons using or occupying any part of the Lessee's Shorb Project which is under Lessee's control to comply with all Applicable Laws and rules and regulations governing the Premises that may be in effect from time to time applicable to the construction of the Improvements and/or to the use of the Lessee's Shorb Project. Lessee hereby warrants and covenants that the operation of the Shorb Project shall not interfere with any functions of Lessor outside of the Premises. Lessee covenants and agrees to indemnify and to hold Lessor harmless from any penalties, damages, or charges imposed for any violation of any and all applicable laws, whether occasioned by neglect, omission, or willful act of Lessee or any person (other than Lessor, its officers, agents, employees, guests, and invitees) by license, invitation, sublease, assignment, or any other arrangement with Lessee.

C. Right to Contest Applicable Laws: Lessee shall have the right to contest, by appropriate judicial or administrative proceedings, without cost or expense to Lessor, the validity or application of any present or future Applicable Laws which restrict Lessee's use of the Lessee's Shorb Project or which require Lessee to repair, maintain, alter, or replace the Lessee's Shorb Project in whole or in part. Lessee shall not be in default for failing to exercise its rights under this clause or for failing to commence repairs, maintenance, alterations, or replacement obligations imposed by such Applicable Laws, until a reasonable time following the final judgment and conclusion of appeals in Lessee's administrative and judicial proceedings, provided that Lessee protects Lessor and the Lessee's Shorb Project from any lien by surety bond or other security satisfactory to Lessor. Lessor may, but is not obligated to, join in the Lessee's contest but Lessor shall have full subrogation rights in the event of Lessee's failure to contest. Lessee's right to contest must be exercised in such manner as to avoid any

exposure of the Lessee's Shorb Project or any part thereof to foreclosure or execution sale.

4. TAXES AND ASSESSMENTS:

A. Payment of Taxes: Lessee shall have sole responsibility to pay promptly any applicable possessory interest taxes, personal property taxes, real property taxes, rental taxes, excise taxes, business and occupation taxes and assessments, or taxes or charges of any kind or nature whatsoever (hereinafter referred to collectively as "Taxes") levied or assessed against the Lessee's Shorb Project, Lessee's operations on the Premises, or against Lessee's possessory interest, by any government entity. Lessee's leasehold interest may be subject to property taxation and Lessee agrees to pay any property tax levied on any such interest.

B. Indemnity: Lessee agrees to indemnify and hold Lessor harmless from the payment of Taxes, including any penalties and interest associated therewith. Lessee further agrees to prevent said Taxes from becoming delinquency liens upon the Lessee's Shorb Project, and except where Lessee notifies Lessor in writing that Lessee is contesting or proposes to contest Taxes, to allow Lessor to pay such Taxes which have become more than 90 days delinquent. Lessor shall in no way be obligated to pay such Taxes which come delinquent; but, if Lessor makes such payments, they will become immediately due and payable to Lessor by the Lessee and shall include any late charge or penalties assessed.

C. Lessee's Right to Contest Taxes: Lessee shall have the right, at its own expense, to contest the amount or validity of any Taxes by appropriate proceedings diligently conducted in good faith which shall operate to prevent the collection of any Taxes so contested or the sale of the Lessee's Shorb Project or any part thereof to satisfy the same. Pending final judgment and appeals of any such legal proceedings, Lessor shall not have the right to pay, remove, or discharge any Taxes thereby contested, provided that Lessee shall protect Lessor and the Lessee's Shorb Project from any lien by adequate surety bond or other security deemed appropriate by Lessor.

D. Proration of Taxes: If, at any time during the term of this Lease, any Taxes are levied for a benefit which shall have a useful life longer than the remaining Lease Term then whether or not such Taxes are actually paid in installments, Lessee shall only be responsible to pay that portion of the Taxes which would have been payable during the term of this Lease, had such Taxes been paid in installments. If Taxes become due and payable after the expiration or termination of the Lease, Lessee, within 15 days of such expiration or termination, shall pay Lessor its prorata share of such Taxes. To the extent that Lessee pays such taxes in excess of its prorata share prior to termination, Lessor shall promptly return the excess upon expiration or other termination of the Lease.

5. UTILITIES:

A. Consent From Lessor: Lessee shall not enter into any contract or agreement with any governmental agency or body or public utility with reference to sewer lines, water lines, street improvements, street lighting, or utility connections, lines, or easements without the prior written consent of Lessor which shall not be unreasonably withheld. All costs (if any) associated with bringing required utilities to the Lessee's Shorb Project, including related professional and service charges, and the costs of connections to the utility system shall be considered part of the construction cost of the Lessee's Shorb Project and shall be solely the Lessee's responsibility.

B. Lessor Utility Services: To the extent that the Lessee uses utility services financed and/or maintained in whole or in part by Lessor, both during and after construction of the Improvements, the charge for such utility services shall be paid by Lessee, together with a pro rata share of the capital costs associated with any necessary additions or improvements to the utility system at the same rate given to other users. Lessee's payment of said utilities may be satisfied by cash, except that payment of any capital costs funded from the County's General Fund shall be made by cash or check and delivered to the County's Chief Executive Office.

C. Ownership: As between County and Lessee, title to all utility lines, transformer vaults and all other utility facilities constructed or installed by Lessee upon the Premises shall vest in County upon construction or installation to the extent that they are not owned by a utility company or other third party provider. Notwithstanding that title shall vest in County, all utility lines, transformer vaults and all other utility facilities (other than any sewer, storm drain or other utility systems which have been dedicated to and accepted by County pursuant to a dedication separate from this Lease), shall be maintained, repaired, and replaced, if and as needed, by Lessee during the Term hereof, including any optional or extension period.

6. CONSTRUCTION AND LIENS:

A. Development Work.

(1) Development Plan: Promptly following the Effective Date, Lessee shall commence the performance of the Development Work (as hereinafter defined) on the Premises described in a development plan to be submitted by Lessee to County within 10 months of execution of the Lease for approval by County in its sole discretion (the "Development Plan"). The Development Plan will include the complete design and engineering work for the entire building and the plan for each phase of construction work. The first phase for construction will complete basic infrastructure work throughout the building, including rough plumbing, rough electrical, fire sprinklers, and fire monitoring systems. The second phase will fully renovate the basement for storage and approximately 10,000 square feet of first floor space which will allow for commencement of the Lessee Services within 3 years of execution of the Lease. The additional phase(s) will complete renovation of the remainder of the building and access to the 2nd floor and completion of the Development Work within ten (10) years of

execution of the Lease. No work may be performed by Lessee at the Premises without written County approval in accordance with this Section. The construction work described in the Development Plan, including the Improvements, hardscape, landscape, and other site work approved by County and to be performed in connection with the work described in such Development Plan and the Development Documents as defined in Section 2(C) hereof, is referred to collectively herein as the "Development Work."

(2) Implementation of Development Plan: There shall be no changes, modifications or exceptions to the Development Plan once approved by County, except as expressly approved in advance in writing by the County or otherwise in accordance with this Section 6. The scope, design, density, site coverage, layout and open space, view corridors, height, construction materials, landscaping, hardscaping, and other improvement specifications pertaining to the Development Work shall be in accordance with the Development Plan, and shall be responsible for the acquisition and compliance with all required governmental approvals (including, without limitation, City, planning and entitlement approvals) for the Development Work. Lessee shall be solely responsible for all costs and expenses incurred in connection with the design, entitlement and construction of the Development Work. The remaining subsections of this Section 6 pertain to the construction of the Development Work and to any other Work (as defined below) which Lessee may be required or desire to make to the Premises during the term hereof or any extension thereof.

B. Construction of Improvements:

(1) Construction: Construction of each phase of the Improvements and construction of any future alterations or replacements of the Improvements (all of which construction is hereinafter referred to sometimes as "Work") shall be made subject to the conditions hereinafter set forth, which Lessee covenants to observe and perform.

(2) Governmental Approvals: Work shall not be undertaken until Lessee has provided and paid for all applicable municipal and other governmental permits and authorizations of the various municipal departments and governmental agencies having jurisdiction over the Work. No zoning changes or variances may be obtained except with Lessor's prior written consent, provided that Lessor shall not unreasonably withhold its consent to any petition or application for zoning change or variance as may be required for the construction of the Improvements and the uses of the Premises and Improvements permitted pursuant to this Lease. In the event, however, that any application or petition is rejected or returned for revision and Lessee is making a good faith, reasonably diligent effort to complete the necessary revisions to the plans or applications, then Lessee shall be granted an additional six months within which to obtain the necessary approvals.

(3) Commencement and Completion of Construction: All Work shall be completed at the expense of Lessee, including capital and financing costs, and without expense to Lessor. All Work shall be prosecuted to completion with due diligence. Notwithstanding the foregoing, construction of the Improvements in each

phase in accordance with the Development Plan shall be commenced within three months of the issuance of all necessary permits and shall be completed (except normal punchlist items) within 24 months following the commencement of construction. For purposes of this Lease, the commencement of construction shall be the first date upon which construction activity for the Improvements is begun. Notwithstanding the foregoing, if Lessor fails to respond to any request for approval described in Section 6.D. hereof within the time frames provided therein, then Lessee shall be entitled to a day-for-day extension of the time periods set forth in this Section 6.B.

(4) Performance and Payment Bonds: Prior to the commencement of construction of any improvements on the Premises, Lessee shall purchase or cause Lessee's contractor to purchase: (a) a performance bond in an amount of not less than 100% of the cost of construction of the Improvements, as approved by Lessor, with the County of Los Angeles as obligee, and executed by a corporate surety authorized to conduct business as a surety in the State of California and approved by Lessor; and (b) a payment bond in an amount of not less than 100% of the costs for labor and materials as approved by Lessor, with the County of Los Angeles as obligee, and executed by a corporate surety authorized to conduct business as a surety in the State of California and approved by Lessor all as provided in Section 10 INDEMNIFICATION, INSURANCE AND GUARANTY, hereof.

C. Construction Standards:

(1) General Construction Standards: In connection with all Work, construction, alteration, or repair work permitted herein, Lessee shall take all reasonably necessary measures to minimize any damage, disruption or inconvenience caused by such Work and shall make adequate provision for the safety and convenience of all persons affected thereby. Lessee shall repair, at its own cost and expense, any and all damage caused by such Work, and shall restore the area upon which such Work is performed to a condition which is at least equal to or better than the condition which existed prior to the beginning of such Work, ordinary wear and tear excepted. In addition, Lessee shall pay (or cause to be paid) all Actual Costs and expenses associated therewith and shall indemnify and hold Lessor harmless from all damages, losses, or claims attributable to the performance of such Work.

(2) Utility Work: Any work performed by or on behalf of Lessee or any occupant of the Premises to connect to, repair, relocate, maintain or install any storm drain, sanitary sewer, water line, gasoline, telephone conduit, or any other public utility service shall be performed so as to minimize interference with services to occupants of another County facility, if any.

(3) Compliance with Applicable Laws: All improvements on the Premises shall be constructed in compliance with all applicable local, state and federal Applicable Laws and rules and regulations governing the Premises that may be in effect. Lessee shall have the sole responsibility for obtaining all necessary permits and shall make application for such permits directly to the person or governmental agency having jurisdiction thereover.

(4) Prevailing Wages: Where labor is required for public work as part of any requirements covered by this Lease, pursuant to the provisions of the Labor Code of the State of California, Lessee shall pay no less than the prevailing wages ascertained and published by the State Department of Industrial Relations and on file with the Board of Supervisors, and shall cause notice of such wages to be posted as required by the Labor Code. No contractor or subcontractor, including without limitation architects and/or engineers, may be retained by Lessee in connection with the Development Work unless Lessee first obtains three bids for each job and obtains County's consent to its selected contractor, which consent shall not be unreasonably withheld.

(5) Construction Safeguards: Lessee shall erect and properly maintain at all times, as required by the conditions and the progress of Work performed by Lessee, all necessary safeguards for the protection of workers and the public.

(a) Rights of Access: Representatives of Lessor shall have the right of reasonable access to the Premises and the improvements thereon at normal construction hours during the period of construction, for the purpose of ascertaining compliance with the terms of this Lease, including, but not limited to, the inspection of the construction work being performed. Lessor's access shall be reasonably calculated to minimize interference with Lessee's construction and/or operations.

(b) Notice of Completion: Upon completion of construction of any building on the Premises, Lessee shall file or cause to be filed in the Official Records of the County of Los Angeles a Notice of Completion (each a "Notice of Completion") with respect to said Improvements, and Lessee shall provide for Lessor a diagram and shall label and identify all electrical panels, circuit breakers, switches, fire sprinklers and plumbing shut off valves as to areas controlled both on the drawings and on the breaker panels and valves. Upon completion Lessee shall furnish the County's Chief Executive Office, Real Estate Division with one complete set of electronic reproducible as-built drawings.

D. Approval of Plans:

(1) Approval of Plans, Drawings and Related Documents: Subject to the terms of this Lease, the Lessor shall have the right to review and approve all Development Documents, including any material changes or amendments thereto. Lessee shall submit three copies of all Development Documents to Lessor. Lessor's failure to approve of the Development Document within 45 days following receipt of same shall be deemed approval thereof. Lessor's approval shall not be unreasonably withheld. However, such Lessor review and approval shall not relieve Lessee of any obligations under this Lease, including any regulatory requirements imposed by federal, state or local governments.

(a) Following Completion of Construction:

(i) Remodeling: Lessee shall have the right, at its expense, following issuance of a Notice of Completion for the Improvements, without Lessor's consent and without submission of plans or evidence of financing (but subject to all other provisions of this Lease), to undertake any nonstructural interior remodeling of any structure or any of the Improvements that is not visible from the outside and does not alter the exterior appearance, or the preexisting location of the Improvements on the Premises.

(ii) Alterations and Additions: Lessee shall have the right, at its expense, at any time following issuance of the Notice of Completion to undertake any alteration or addition on the Premises that is not included in Section 6.D.(1)a(i) above, subject to the written consent and approval of Lessor and compliance with all of the provisions of this Section 6.

(2) Changes to Plans Following Approval: No material changes to the approved plans and specifications shall be made without the prior written approval of the Lessor. Any such proposed changes shall be submitted to Lessor for Lessor's approval or disapproval. Lessor shall have 30 days following receipt of the proposed changes in which to give its approval or disapproval. Any disapproval shall set forth in detail the reasons for disapproval. Lessor's failure to approve such proposed changes within the 30- day period shall be deemed disapproval thereof.

E. Protection of Lessor:

(1) No Consent of Lessor: Nothing in this Lease shall be construed as constituting the consent of Lessor, express or implied, to the performance of any labor or the furnishing of any materials or any specific improvements, alterations of, or repairs to, the Premises or any part thereof by any contractor, subcontractor, laborer, or materialman, nor as giving Lessee or any other person any right, power or authority to act as agent of or to contract for, or permit the rendering of, any services, or the furnishing of any materials, in such manner as would give rise to the filing of mechanics' liens or other claims against the fee of the Premises or the Lessee's Shorb Project.

(2) Protection Against Liens: Lessor shall have the right at all reasonable times to post, and keep posted, on the Premises any notices which Lessor may deem necessary for the protection of Lessor and of the Premises and the improvements thereof from mechanics' liens or other claims. Lessee shall give Lessor ten days prior written notice of the commencement of any work to be done on the Premises to enable Lessor to post such notices. In addition, Lessee shall make, or cause to be made, prompt payment of all monies due and legally owing to all persons doing any work or furnishing any materials or supplies to Lessee or any of its contractors or subcontractors in connection with the Premises and the Improvements thereon in accordance with Section 9 hereof. Lessee shall be responsible for the recordation and posting of a notice of non-responsibility for the Lessor's protection against mechanic's liens.

(3) Notice: Should any claims of lien be filed against the Premises or the Improvements thereon, or any action affecting the title to the Premises or the Improvements thereon be commenced, the party receiving notice of such lien or action shall forthwith give the other party written notice thereof.

7. MAINTENANCE OF LESSEE'S SHORB PROJECT:

A. Lessor Responsibilities: Lessor shall not be required or obligated to make any changes, alterations, additions, improvements, or repairs in, on, or about the Lessee's Shorb Project or any part thereof, or any improvements thereon during the term of this Lease.

B. Lessee's Responsibility: Throughout the term of this Lease, Lessee shall, at Lessee's sole cost and expense, maintain the Lessee's Shorb Project in good condition and repair and in accordance with the requirements of: (i) all Applicable Laws; (ii) the insurance underwriting board or insurance inspection bureau having or claiming jurisdiction; (iii) any insurance companies insuring all or any part of the Lessee's Shorb Project, if applicable.

C. Waste: Lessee shall not commit or permit the commission of any waste upon the Premises. Lessee shall not store or dispose of any waste or by-products of Lessee's operation on the Premises.

8. NON-SUBORDINATION AND NON-ASSIGNMENT AS SECURITY: This is a non-subordinated lease. Except as may be provided in Section 5, UTILITIES, or this Section 8, Lessee agrees that it shall not create or suffer any encumbrance upon the Premises or the Improvements without the written consent of Lessor. Lessee shall not, without obtaining the written consent of Lessor, assign any of Lessee's interest under this Lease as security. Any consent required by this Section 8 shall be evidenced by letter signed by Lessor's Chief Executive Office. Lessor shall provide a response to any request for consent pursuant to this Section 8 within 30 days of such request; provided, however, that Lessor's failure to timely provide a response shall not be construed as consent. Lessee agrees, without any cost or expense to Lessor, to execute any instrument which is necessary or is requested by Lessor to further effect the non-subordination of this Lease. Lessee further agrees that in order to obtain Lessor's consent hereunder: (a) any financing obtained for improvements to the Building shall be and shall always remain subordinate to this Lease, (b) the amount of Lessee's endowment/investment funds collateral to any proposed financing shall exceed the amount of said financing at all times during the term hereof, and Lessee shall provide Lessor with an annual written certification of Lessee's compliance with such requirement, (c) Lessee's lender for any proposed financing related to the Shorb Project shall be required to provide written notice to Lessor in the event that Lessee's collateral falls below the loan amount, and (d) in the event of a default under Lessee's proposed financing agreements, Lessee's lender shall be entitled to proceed against Lessee's collateral only and shall in no event be entitled to proceed against the Premises. Lessee acknowledges and understands that Lessor shall be entitled to

withhold its consent hereunder to any proposed financing that does not meet with all of the foregoing requirements.

9. LIENS:

A. General: Subject to the provisions of Section 4 regarding TAXES AND ASSESSMENTS and Section 8 regarding NON-SUBORDINATION AND NON-ASSIGNMENT AS SECURITY, Lessee hereby covenants to keep the Premises and every part thereof free and clear of any and all liens or encumbrances of any kind whatsoever created by Lessee's acts or omissions and/or created by the performance of any labor or furnishing of any material, supplies, or equipment contemplated hereunder. Lessor covenants to keep the Lessee's Shorb Project and every part thereof free and clear of any and all liens or encumbrances of any kind whatsoever created by Lessor's acts or omissions or those of its agents or employees, and shall indemnify and hold Lessee harmless from any such Lessor created liens or demands. Lessee further agrees to hold Lessor and the Premises and all parts thereof free and harmless from any such Lessee-created liens, claims, or demands, and any and all costs, damages or liability in connection therewith, together with reasonable attorney's fees and all Actual Cost and expenses incurred by Lessor in negotiating, settling, defending, and otherwise protecting the Premises or Lessee's Shorb Project or any part thereof against such liens, claims or demands.

B. Mechanics' and other Liens: Lessee shall pay, or cause to be paid, the total cost and expense of all works of improvement as that phrase is defined in the applicable mechanics' lien law in effect when the Work begins. Lessee shall not permit any mechanic's, materialman's, contractor's, sub-contractor, or other lien, arising out of the performance of the Lease, to stand against the Premises or Lessee's Shorb Project, or any part thereof. If any such lien shall be filed against the Premises or Lessee's Shorb Project, Lessee shall cause the same to be discharged within ten days after actual notice of such filing, by payment, deposit, or bond. If Lessee fails to discharge any such lien, Lessor may, but shall not be obligated to, discharge the same, and any amount so paid or deposited by Lessor and all Actual Costs and expenses incurred by Lessor, including reasonable attorney's fees, shall become immediately due and payable by Lessee to Lessor, together with interest thereon computed at the rate of seven percent per annum. If Lessee desires to contest any such lien, Lessee shall notify Lessor in writing of Lessee's intention to do so within ten days after the filing of and service upon Lessee of such lien, or lose the right to contest. In such case, provided that Lessee shall furnish the bond required by California Civil Code section 3143 (or any comparable statute hereafter enacted for providing a bond freeing the Premises and Lessee's Shorb Project from the effect of such lien), Lessee shall not be in default until five days after the final determination of the validity thereof, within which time Lessee shall satisfy and discharge any such lien to the extent held valid, but the satisfaction and discharge of any such lien shall not, in any case, be delayed until execution is had upon any judgment rendered thereto, and such delay shall be a material default of Lessee hereunder. In the event of any such contest, Lessee shall protect and indemnify Lessor against all loss, Actual Cost, expense and damage, including reasonable attorney's fees, resulting therefrom.

10. INDEMNIFICATION AND INSURANCE:

A. Indemnification: Lessee agrees, subject to the other provisions of this Lease, to indemnify, defend, save and hold harmless Lessor and its Special Districts, elected and appointed officers, agents, and employees from and against any and all liability, Actual Cost and expense, including defense costs and legal fees, and claims for damages of any nature whatsoever, including, but not limited to, bodily injury, death, personal injury, or property damage arising from or connected with Lessee's and its agents', employees', and officers' operations on and use of the Premises hereunder, including any Workers' Compensation suits, liability, or expense.

B. Insurance: Without limiting Lessee's indemnification of Lessor, and during the Term of this Lease, Lessee shall provide and maintain the following insurance. Such insurance shall be primary to and not contributing with any other insurance or self-insurance programs maintained by County, and such coverage shall be provided and maintained at Lessee's own expense.

(1) Evidence of Insurance. Such insurance shall be provided by insurer(s) satisfactory to County and evidence of such insurance shall be delivered to County at the Chief Executive Office, Real Estate Division, 222 South Hill Street, 3rd Floor, Los Angeles, California 90012. Certificate(s) or other evidence of coverage satisfactory to County shall be delivered to County prior to the Commencement Date and shall:

- (a) Specifically identify this Lease;
- (b) Clearly evidence all coverages required in this Lease;
- (c) Contain the express condition that insurer will use its best efforts to give written notice by mail to County at least 30 days in advance of cancellation for all policies evidenced on the certificate of insurance; and
- (d) Identify any deductibles or self-insured retentions exceeding \$25,000.

(2) Insurance Coverage Requirements. Lessee shall maintain the following:

(a) General Liability insurance (written by ISO policy form CG 00 01 or its equivalent) and endorsed to name County as an additional insured, with limits of not less than the following:

General Aggregate:	\$4 million
Products/Completed Operations:	\$2 million
Personal and Advertising Injury:	\$2 million

Each Occurrence: \$2 million

(b) Automobile Liability insurance (written on ISO form CA 00 01 or its equivalent) with a limit of liability of not less than \$1 million for each accident and providing coverage for all "owned", "hired", and "non-owned" vehicles, or coverage for "any auto"; and

(c) Workers Compensation and Employers' Liability insurance providing workers compensation benefits, as required by the Labor Code of the State of California and for which Lessee is responsible, and including Employers' Liability coverage with limits of not less than the following:

Each Accident: \$1 million

Disease – policy limit: \$1 million

Disease – each employee: \$1 million

(d) Commercial Property Insurance – Special form (All Risk) coverage, including coverage for improvements and betterments, excluding EQ and flood, and including ordinance or law coverage, written for the full replacement value of the Building and the Improvements.

(3) Waivers of Subrogation. Lessee shall obtain appropriate endorsements upon all insurance policies waiving subrogation by the insurer(s) against Lessor.

C. Construction Insurance. In addition to the above Lessee Insurance Requirements, and throughout the period of construction of Lessee's Shorb Project, Lessee shall have its Contractor provide and maintain, or Lessee shall provide and maintain, the following programs of insurance. Such insurance shall be primary to and not contributing with any other insurance or self-insurance programs maintained by Lessor, and such coverage shall be provided and maintained at no cost to Lessor. Such coverage shall contain the express condition that Lessor is to be given written notice by mail at least 30 days in advance of cancellation for all policies evidenced on the certificate of insurance.

(1) Builder's risk course of construction insurance. Such coverage shall:

(a) Insure against damage from perils covered by the Causes-of-Loss Special Form (ISO form CP 10 30), and be endorsed to include ordinance or law coverage, coverage for temporary off site storage, pollutant clean-up, and removal, preservation of property, and full collapse coverage during construction (without restricting collapse coverage to specified perils);

(b) Be written on a completed value basis and cover the entire work against loss or damage until completion and acceptance by the Lessee; and

(c) Provide a per occurrence deductible of not greater than five percent of the value insured for all perils.

(2) General Liability insurance (written on ISO policy form CG 00 01 or its equivalent) with limits of not less than the following:

General Aggregate	\$4 million
Products/Completed Operations Aggregate:	\$4 million
Personal and Advertising Injury:	\$2 million
Each Occurrence:	\$2 million

The Lessor also shall be named as an additional insured (ISO form CG 20 10) under the Contractor's policy.

(3) Automobile Liability Insurance (written ISO policy form CG 00 01 or its equivalent) with a limit of liability of not less than \$2 million for each accident. Such insurance shall include coverage for all "owned", "hired", and "non-owned" vehicles (or for "any auto") utilized by Contractor.

(4) Professional Liability insurance covering liability arising from any error, omission, negligent or wrongful act of the Contractor, its officers or employee with limits of not less than \$1 million per occurrence and \$2 million aggregate. The coverage also shall provide an extended two year reporting period commencing upon termination or cancellation of this Lease.

(5) Workers Compensation and Employers' Liability insurance providing workers compensation benefits, as required by the Labor Code of the State of California and for which Contractor is responsible. Such insurance shall include Employers' Liability coverage with limits of not less than the following:

Each Accident:	\$1 million
Disease – policy limit:	\$1 million
Disease – each employee	\$1 million

(a) Performance Bond: A faithful performance bond in an amount equal to 100% of the estimated construction cost contemplated for the Improvements, payable to County and executed by a corporate surety licensed to transact business as a surety in the State of California. Such bond shall be conditioned upon faithful performance by the Lessee of the terms and conditions of the this Lease and the construction contract(s) and shall be renewed by Lessee to provide for continuing liability in the above amount notwithstanding any payment or recovery thereon, and shall remain in effect for one year following issuance of a Certificate of Occupancy.

(b) Labor and Material Payment Bond: A labor and material payment bond of not less than 100% of the construction contract price payable to the County, and executed by a corporate surety licensed to do business as a surety in the State of California. Such bond shall be conditioned upon satisfactory payment by contractor and its subcontractors for all labor and material used in performance of the agreement. Such bond shall be renewed by contractor to provide continuing liability in the above amount notwithstanding any payment or recovery thereon.

(c) At its sole option, the County may accept Certificates of Deposit, Cash Deposits, Letters of Credit, or U. S. Government Securities in lieu of commercial bonds to meet the above bonding requirement. Such alternate bonds shall be made payable to the County and shall be deposited with the County's Auditor-Controller.

11. REPAIR AND RESTORATION:

A. If, during the Term of this Lease, the Improvements are damaged due to a risk covered by insurance maintained under Section 10.B.(2)a. of this Lease, Lessee shall cause the damage to be repaired and the Improvements restored to substantially the same condition as they were in immediately before such damage.

B. If, during the Term of this Lease, the Improvements are damaged due to a risk not covered by insurance maintained under Section 10.B.(2)a. of this Lease, and whether or not such damage is substantial, Lessee may elect either to cause the damage to be repaired and the Improvements restored to substantially the same condition as they were immediately before the damage or to terminate this Lease, and Lessee shall restore the Premises to the condition that existed immediately prior to the occurrence of the damage. Said election shall be made by written notice to Lessor within 60 days of the occurrence of the damage.

C. If the Improvements are damaged during the last two years of either the primary or option term of this Lease, whether or not the damage is substantial, either party may elect to terminate this Lease. Said election shall be made by written notice to the other party within 60 days of the occurrence of the damage. In the absence of a timely election by either party, the parties shall be deemed not to have terminated this Lease.

(1) As used in Section 11.C. the term "substantial" means damage to the Improvements requiring repair or restoration at a cost in excess of 50% of the per-damage replacement cost value of the Improvements.

D. If Lessee is required or elects to repair any damage to the Improvements, such damage shall be repaired and the Improvements restored to substantially the same condition as they were in immediately before the damage as promptly as is reasonably possible. To the extent the damage is due to a risk covered by insurance maintained under Section 10.B.(2)a. of this Lease, such repairs shall be made from the proceeds of such insurance and the proceeds of such insurance shall be

made available to Lessee for such purpose. All work shall be performed in a good and workmanlike manner and shall be completed as promptly as is reasonably possible and in accordance with all applicable public Applicable Laws, ordinances and regulations. Commencement of the repair and restoration shall require: (a) securing the area to prevent injury to persons and/or vandalism to the Improvements and (b) the placement of a work order or contract for obtaining the labor and materials to accomplish the repair and restoration.

E. Notwithstanding any provision contained in this Lease to the contrary, if the Applicable Laws existing at the time of the damage do not permit the repair or restoration, either party may terminate this Lease immediately by giving written notice to the other party. If this Lease is terminated pursuant to any of the provisions in this Section 10.E., the proceeds of any and all insurance maintained under Section 10.B.(2)a of this Lease shall be the sole property of Lessee and shall, if received by Lessor, be promptly paid to Lessee; however, the proceeds are to be used first to restore the Premises to a condition substantially the same as that existing immediately prior to such damage.

(1) Lessee waives the provisions of California Civil Code sections 1932(2) and 1933(4) which relate to termination of leases when the thing leased is destroyed and agrees that such event shall be governed exclusively by the terms of this Lease.

12. DEFAULT:

A. Material Default: The occurrence of any of the following shall constitute a material default and breach of this Lease, which shall allow Lessor, in addition to any other rights or remedies at law or in equity, to terminate this Lease:

(1) A failure by Lessee to observe and perform Lessee's Obligations hereunder when such failure continues for 30 days after written notice thereof to Lessee; provided, however, that if the nature of such default is such that the same cannot reasonably be cured within such 30 day period, Lessee shall not be deemed to be in default if Lessee shall within such period commence such cure and thereafter diligently prosecute the same to completion. Failure to observe and perform Lessee's Obligations shall not include those instances where the Premises are not in use because of remodeling, repairs, or the replacement of equipment, provided that such remodeling, repairs, and replacement are undertaken and completed in a prompt manner by Lessee.

(2) A default under Section 15 of this Lease.

(3) A failure by Lessee to maintain funds in excess of the amount of any Building financing as collateral for said financing (as required by Section 8 of this Lease).

(4) Lessee's failure to provide the Lessee Services to County residents.

B. Remedies: If Lessee defaults under this Lease, Lessor, without further notice to Lessee shall, in addition to any other remedies available by law or equity, have one or more of the following remedies at Lessor's election:

(1) Without barring later election of any other remedy and without terminating Lessee's right to possession of the Lessee's Shorb Project, or any part thereof, Lessor may require strict performance of all covenants and obligations herein as the same shall accrue or become due, without terminating this Lease, and Lessor shall have the right of action therefore without awaiting the end of the Lease term.

(2) If Lessor obtains possession of the Lessee's Shorb Project under a judgment pursuant to section 1174 of the California Code of Civil Procedure (unless Lessee obtains relief under section 1179 of that Code) or if Lessor, by written notice declares the Lease to be terminated because of breach of this Lease, then Lessor may enter upon the Lessee's Shorb Project and remove any and all persons and or property whatsoever situated thereon, and place all or any portion of said property in storage for the account of and at the expense of Lessee and dispose of such property in accordance with Applicable Laws. Lessor shall be entitled to recover in one or more awards or judgment from Lessee:

(a) Any amount necessary to compensate Lessor for all the detriment proximately caused by Lessee's failure to perform Lessee's obligations under this Lease, or which in the ordinary course of things would be likely to result therefore. Such other amount shall include, but not be limited to, such expenses (including reasonable attorney's fees) as Lessor may have paid, assumed, or incurred in recovering possession of Premises, placing the Premises in good order and condition, preparing or altering Premises for reletting, and reletting the Premises during any part of time for which a rental concession, if any, had been given by Lessor.

(b) Lessor may at Lessor's election terminate this Lease by giving Lessee notice of termination. On the giving of the notice to Lessee, all Lessee's rights in the Premises and in the Improvements shall terminate. Lessor shall not be deemed to have terminated this Lease unless Lessor shall have so declared in writing to Lessee, nor shall Lessor be deemed to have accepted or consented to an abandonment by Lessee by performing acts intended to maintain or preserve the Premises, making efforts to relet the Premises or appointing a receiver to protect Lessor's interest under this Lease. Promptly after notice of termination, Lessee shall surrender and vacate the Lessee's Shorb Project in a broom-clean condition, and Lessor may re-enter and take possession of the Lessee's Shorb Project and/or eject all parties in possession, some and not others, or eject none. Termination under this Section shall not relieve Lessee from any obligations under this Lease or from any claim for damages incurred or accruing against Lessee up to the date of termination.

(3) Lessor may at Lessor's election enter the Lessee's Shorb Project and, without terminating this Lease, at any time and from time to time may use or let the Premises or the Improvements or any part or parts of them for the account and in the name of Lessor or otherwise. Any reletting may be for the remainder of the Term or for a longer or shorter period. Lessor may execute any lease made under this provision either in Lessor's name or in Lessee's name and shall be entitled to all rents from the use, operation, or occupancy of the Lessee's Shorb Project or any part thereof. Lessee shall, upon such election by Lessor, have the right to immediately remove its personal property and trade fixtures.

(4) Subject to Lessee's and Lessor's rights to contest as provided elsewhere in this Lease, if, at any time during the Term of this Lease, Lessee fails, refuses, or neglects to do any of the things herein required to be done by the Lessee, Lessor shall have the right, but not the obligation, to do the same, but at the cost of and for the account of the Lessee; provided, however, that the Lessor shall in no case take such action until first giving the Lessee written notice of such failure, refusal, or neglect and allowing time periods, as specified in this Lease, within which Lessee may commence a bona fide effort to cure the same.

C. Equitable Relief: Nothing contained herein shall affect, change, or waive any rights of Lessor or Lessee to obtain equitable relief when such relief is otherwise appropriate, or to obtain the relief provided by Chapter 4 (commencing with section 1159) of Title 3 of Part 3 of the Code of Civil Procedure, relating to actions for unlawful detainer, forcible entry, and forcible detainer.

D. Cumulative Remedies: The remedies of Lessor as provided above are cumulative and in addition to, rather than exclusive of, any other remedy of Lessor herein given or that may be permitted by Law. Any lawful re-entry as provided for herein shall not make Lessor liable in damages or guilty of trespass because of any such lawful re-entry.

13. WAIVER OF CONDITIONS OR COVENANTS: Any waiver by Lessor of any breach or any one or more of the covenants, conditions, terms and agreements of this Lease shall not be construed to be a waiver of any subsequent or other breach of the same or of any other covenant, condition, term, or agreement of this Lease, nor shall failure on the part of Lessor to require exact, full, and complete compliance with any of the covenants, conditions, terms, and agreements of this Lease be construed as in any manner changing the terms hereof, nor shall the terms of this Lease be changed or altered in any manner whatsoever other than by written agreement between Lessor and Lessee. No delay, failure, or omission of Lessor to re-enter the Premises or to exercise any right, power, privilege, or option, arising from any default shall impair any such right, power, privilege, or option or be construed as a waiver of or acquiescence in such default or as a relinquishment of any right. No notice to Lessee shall be required to restore or revise "time is of the essence" after the waiver by Lessor of any default. No option, right, power, remedy, or privilege of Lessor shall be construed as being exhausted by the exercise thereof in one or more instance. The rights, powers, options, and remedies given Lessor by this Lease shall be cumulative.

14. EMINENT DOMAIN: If the whole or any part of the Premises shall be taken by any paramount public authority under the power of eminent domain, then the Term of this Lease shall cease as to the part so taken from the day the possession of that part shall be taken for any public purpose, and from that day Lessee shall have the right to either cancel this Lease or to continue in the possession of the remainder of these Premises under the terms herein provided. All damages awarded for such taking shall belong to and be the property of Lessor provided, however, that Lessor shall not be entitled to any portion of the award made for loss of improvements to the Building or personal property, equipment, and trade fixtures belonging to Lessee immediately prior to the taking of possession by the condemning authority.

15. ASSIGNMENT/SUBLETTING:

A. No Assignment: Lessee shall not, without the prior written consent of Lessor, either directly or indirectly give, assign, hypothecate, encumber, transfer, or grant control of this Lease or any interest, right, or privilege therein, or sublet the whole or any portion of the Premises, or license the use of the same in whole or in part. In addition, for purposes of this Section 15, County consent shall require a written amendment to this Lease, which amendment must be formally approved and executed by the parties. Said consent shall not be unreasonably withheld. For purposes of this provision, the following acts of Lessee shall be considered an assignment requiring the prior written consent of Lessor to be effective:

(1) Any disposition(s) that effectuates a change in the majority control of Lessee to any person(s), corporation, partnership, or legal entity other than the majority controlling interest therein at the time of execution of this Lease; and

(2) Any assumption, assignment, delegation, or takeover of any of the Lessee's duties, responsibilities, obligations, or performance of same hereunder by any entity other than the Lessee (whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism), with or without consideration, for any reason whatsoever.

In the event one of the above occurs without County's express prior written approval, such occurrence shall constitute a material breach of this Lease which shall entitle County, at its discretion, to terminate this Lease. In the event of such termination, County shall be entitled to pursue the same remedies against Lessee as it could pursue in the event of default by Lessee pursuant to the terms hereof, including without limitation Section 12, at law and in equity.

B. No Involuntary Assignment: Neither this Lease nor any interest therein shall be assignable or transferable in proceedings in attachment, garnishment or execution against Lessee, or in voluntary or involuntary proceedings in bankruptcy or insolvency or receivership taken by or against Lessee, so that the same and the making by Lessee of any general assignment for the benefit of creditors; or the filing of a petition to have Lessee adjudicated a bankruptcy, or the filing of a petition for reorganization or arrangement under any law relating to bankruptcy unless, in the case of a petition filed

against Lessee, the same is dismissed within 60 days; or the appointment of a trustee or receiver to take possession of substantially all of Lessee's assets located at the Lessee's Shorb Project or of Lessee's interest in this Lease, when such seizure is not discharged within 60 days, shall be a material default under this Lease.

16. REVERSION OF IMPROVEMENTS AND SURRENDER: At the expiration or sooner termination of the Term of this Lease, at the election of Lessor, and without notice to Lessee, all structures, buildings (including the Building), Improvements, and all alterations, additions, and betterments thereto, and all other improvements made to or upon the Premises shall remain upon and be surrendered with the Premises as part thereof and title thereto shall automatically vest in Lessor without compensation therefor to Lessee.

In the alternative, at the expiration or sooner termination of the Term of this Lease, Lessor may, at Lessor's sole election, require the removal from the Property, at Lessee's sole cost and expense, the Improvements, all personal property and/or trade fixtures, as specified in the written notice provided for herein below (the "Removal Notice"). A Removal Notice to take effect at the normal expiration of the Term shall be effected by notice given at least 30 days before the expiration date. A Removal Notice to take effect on any date other than the normal expiration of the Term of this Lease shall be effectuated by notice given concurrently with notice of such termination or within ten days after such notice of termination. Lessee shall be liable to Lessor for costs incurred in effecting the removal of personal property and trade fixtures of Lessee which Lessee has failed to remove after demand pursuant to this Section. Lessee may remove any personal property and trade fixtures from time to time during the Lease Term and within 45 days following the expiration of the Term. Lessee shall repair all damage (structural or otherwise) caused by any such removal, at Lessee's expenses; provided that damage to improvements which are obsolete economically or functionally or which are not material need not be repaired so long as the Improvements are or are made structurally sound. Any personal property and trade fixtures not removed by Lessee within 45 days following expiration of the Term shall be deemed abandoned by Lessee and shall, without compensation to Lessee, then become Lessor's property free and clear of all claims to or against them by Lessee or any other person, except as otherwise provided in this Lease.

In the event that Lessor elects to require the removal from the Property of all the Improvements, personal property and/or trade fixtures, Lessor, within ten days of demand from Lessee, shall execute and deliver any document required by any supplier, lessor, vendor, or lender in connection with the installation on the Property of Lessee's personal property or Lessee's trade fixtures in which Lessor waives any right it may have or acquire with respect to that property, if the supplier, lessor, vendor or lender agrees in writing that: (a) it will remove or commence the removal of, or cause Lessee to remove or commence the removal of, that property from the Property before expiration of the Term of this Lease or within 30 days thereafter, and (b) it will make, or require Lessee to make, whatever restoration to the Property is reasonably necessitated by the removal.

17. HAZARDOUS SUBSTANCES:

A. Definition: For purpose of this Lease, the term Hazardous Substances shall be deemed to include "hazardous substances" as defined in California Health and Safety Code section 25316, and those chemicals and substances identified pursuant to Health and Safety Code section 25249.8.

B. Warranties and Representations:

Lessee hereby warrants and represents that it will not cause the presence, use, storage, or disposal of any Hazardous Substances on or about the Premises without the prior written consent of Lessor.

(1) Lessee hereby warrants and represents that it shall comply with all Applicable Laws and regulations concerning the use, release, storage, and disposal by Lessee, its agents, and contractors of Hazardous Substances on the Premises. Lessor hereby warrants and represents that it has complied with all Applicable Laws and regulations concerning the use, release, storage, and disposal of Hazardous Substances on the Premises, and that said compliance was in effect prior to the beginning of the Term of this Lease.

C. Notice: Lessee agrees to immediately notify Lessor when Hazardous Substances have been released on the Premises, upon becoming aware of the same.

D. Indemnity:

(1) Lessee agrees to indemnify, defend, and hold harmless Lessor and its Special Districts, elected and appointed officers, agents and employees, from and against all liability, expense (including defense costs, legal fees, and response costs imposed by law), and claims for damages of any nature whatsoever which arise out of the presence or release of Hazardous Substances on the Premises which is caused by Lessee.

(2) Lessor agrees to indemnify, defend and hold harmless Lessee, from and against all liability, expense (including defense costs, legal fees, and response costs imposed by law) and claims for damages of any nature whatsoever which arise out of the presence or release of Hazardous Substances on the Premises, which occurred prior to the beginning of the Primary Term of this Lease or which occurs thereafter and is caused by Lessor.

(3) The indemnity provided by this Section 17 shall survive the termination of this Lease.

E. Default: Lessee's failure to comply with the provisions of this Section 18 may, in Lessor's sole discretion, be deemed a default of this Lease and entitle Lessor to terminate this Lease immediately.

18. ADMINISTRATION: The Chief Executive Officer or his authorized designee shall have the authority to administer this Lease on behalf of County.

19. COUNTY'S LOBBYISTS: Lessee and each County lobbyist or County lobbying firm, as defined in Los Angeles County Code section 2.160.010, retained by Lessee, shall fully comply with County's Lobbyist Ordinance, Los Angeles County Code Chapter 2.160. Failure on the part of Lessee or any County lobbyist or County lobbying firm retained by Lessee to fully comply with County's Lobbyist Ordinance shall constitute a material breach of this Lease upon which County may immediately terminate or suspend this Lease.

20. NOTICES: Notices desired or required to be given by this Lease or by any law now or hereinafter in effect may be given by enclosing the same in a sealed envelope with postage prepaid, registered mail, return receipt requested, with the United States Postal Service. Addresses and persons to be notified may be changed by providing at least ten days' written notice to the other party except that Lessee shall at all time maintain a mailing address in California.

A. Notices to Lessee shall be addressed as follows:

Chinatown Service Center
767 North Hill Street, Suite 400
Los Angeles, California 90012-2381

Attention: Lawrence J. Lue
Telephone: 213-808-1701

B. Notices to Lessor shall be addressed as follows:

(1) Chief Executive Office
Real Estate Division
222 South Hill Street, 3rd Floor
Los Angeles, California 90012

Attention: Acting Director of Real Estate

21. GENERAL PROVISIONS:

A. Waiver: The waiver by Lessor or Lessee of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant, or condition on any subsequent breach of the same or any other term, covenant, or condition herein contained.

B. Marginal Headings: The Section titles in this Lease are not a part of this Lease and shall have no effect upon the construction or interpretation of any part hereof.

C. Time: Time is of the essence for this Lease and each and all of its provisions in which performance is a factor.

D. Recordation: Either party may record this Lease at any time without the prior written consent of the other party.

E. Binding on Successors: Each and all of the terms and agreements herein contained shall be binding upon and shall inure to the benefit of the successors in interest of the Lessee, and whatever the context permits or requires the successors in interest to the Lessor.

F. Prior Agreements: The Lease, agreements incorporated by reference and attachments hereto contain all of the agreements of the parties hereto with respect to any matter covered or mentioned in this Lease, and no prior agreement or understanding pertaining to any such matter shall be effective for any purpose. No provision of this Lease may be amended or added to except by an agreement in writing signed by the parties hereto or their respective successors-in-interest. This Lease shall not be effective or binding on any party until fully executed by both parties hereto.

G. Unavoidable Delay: Any prevention, delay, non-performance or stoppage due to any of the following causes shall excuse non-performance for a period equal to any such prevention, delay, non-performance, or stoppage. The causes referred to above are: strikes, lockouts, labor disputes, failure of power, irresistible superhuman cause, acts of public enemies, riots, insurrections, civil commotion, inability to obtain labor or materials, or reasonable substitutes for either, Governmental restrictions or regulations or controls, casualties not contemplated by insurance provisions of this Lease, or other cause beyond the reasonable control of the party obligated to perform.

H. Separability: Any provision of this Lease which shall prove to be invalid, void, or illegal shall in no way affect, impair, or invalidate any other provision hereof and such other provisions shall remain in full force and effect.

I. Cumulative Remedies: No remedy or election hereunder shall be deemed exclusive but shall wherever possible be cumulative with all other remedies at law or in equity.

J. Choice of Law: This Lease shall be governed by the internal laws of the State of California.

K. Arbitration: In the event of any dispute regarding the terms, conditions, rights, or obligations of the parties hereto, such dispute may, at the request of either party, be submitted to arbitration in accordance with the provisions of California Code of Civil Procedure section 1280 et. seq., as they now exist or may later be amended. The Chief Executive Office, Director of Real Estate, or his designee, shall act on behalf of Lessor in arbitration with the assistance of County Counsel, for so long as

County is the Lessor under this Lease, provided, however, that the settlement of certain claims may be subject to approval by the County's Board of Supervisors.

L. Interpretation: Unless the context of this Lease clearly requires otherwise: (i) the plural and singular numbers shall be deemed to include the other; (ii) the masculine, feminine and neuter genders shall be deemed to include the others; (iii) "or" is not exclusive; and (iv) "includes" and "including" are not limiting.

M. This Lease is by and between the Lessor and Lessee and is not intended, and will not be construed, to create the relationship of agent, servant, employee, partnership, joint venture, or association, as between Lessor and Lessee.

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IN WITNESS WHEREOF, the County of Los Angeles has caused this Lease to be subscribed on its behalf and Lessee has caused this Lease to be subscribed in its behalf by its duly authorized officer, the day, month, and year first above written.

Lessee:


CHINATOWN SERVICE CENTER

By 
Lawrence J. Lue, Chief Executive Officer

ATTEST:

SACHI A. HAMAI
Executive Officer, Board of Supervisors


COUNTY OF LOS ANGELES

By 
Deputy JUN 01 2009

By 
Chairman, Board of Supervisors

APPROVED AS TO FORM:

ROBERT E. KALUNIAN
ACTING COUNTY COUNSEL

By 
Amy M. Caves
Senior Deputy County Counsel



I hereby certify that pursuant to
Section 25103 of the Government Code,
delivery of this document has been made.

SACHI A. HAMAI
Executive Officer
Clerk of the Board of Supervisors

By 
Deputy

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

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JUN 24 2008


SACHI A. HAMAI
EXECUTIVE OFFICER

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